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TAGS: [ECON](#) [ENRG](#) [ETRD](#) [EUN](#) [PGOV](#) [PL](#) [TBIO](#) [WTO](#)  
SUBJECT: DPM/ECONMIN PAWLAK PROPOSES CAP REFORM

REF: A. WARSAW 823  
    **[1](#)**B. WARSAW 940  
    **[1](#)**C. WARSAW 973  
    **[1](#)**D. WARSAW DAILY 8/22/08

**[1](#)**1. (U) This message is an action request - see para 3.

**[1](#)**2. (SBU) Embassy Warsaw is receiving more signals that the GoP - or elements within it - sees the failure of Doha Round negotiations as a point of departure for deeper U.S.-EU economic integration and liberalization. In Ref B meeting with Charge, Deputy Prime Minister and Economic Minister Waldemar Pawlak (PSL) first told us of his vision of deeper U.S.-EU integration and of the GoP's effort to slowly, quietly roll back Polish opposition to biotechnology. In a follow-up meeting August 21, Pawlak went much further. He proposed the reform of the EU's Common Agricultural Policy (CAP) to break the link throughout the EU between agricultural subsidies and production, replacing production subsidies with "green box" payments based on land area and ecological stewardship. Pawlak also noted standards, regulations, and norms as another likely area for further US-EU integration. Separately, Undersecretary Andrzej Dycha of the PSL-controlled Agriculture Ministry reiterated to AgCouns Pawlak's broad message of deepening U.S.-EU trade integration and reported coordination between the Foreign Affairs, Economy, and Agriculture Ministries to that end. Pawlak is also interested in exploring with DOE contacts clean-coal technology as part of Poland's overall strategy to reduce its dependence on Russian energy.

**[1](#)**3. (SBU) Pawlak will be in Washington to attend the October 8-9 Polish-American Conference on Science and Technology. He welcomed our suggestions for meetings during that trip. We request the Department's assistance in setting those meetings with appropriate counterparts in USTR, State, DOE and USDA.

**[1](#)**4. (SBU) Comment. Pawlak's analysis - which we share (see Ref C) - is that the terms of Polish accession to the EU put its agriculture sector at a competitive disadvantage to those of the EU-15. Under the current CAP system, Polish farmers will never see payments as high as their EU-15 counterparts - an important driver of growing weakness of Poland's ag sector - and presumably one reason for Pawlak's newfound interest in CAP reform. End comment.

QUANRUD